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Before the FCC/MELLON SEP 222000 Washington, D.C. 20554

In the Matter of)
ATEAC, INC.))
ALASKA TELEPHONE COMPANY) File No.
ARCTIC SLOPE TELEPHONE ASSOCIATION)
COOPERATIVE, INC.	
INTERIOR TELEPHONE COMPANY, INC.)
MUKLUK TELEPHONE COMPANY, INC.)
UNITED-KUC, INC.	Co
Petition for Waiver of the Definition of "Study Area"	CC: 96-45
Contained in Part 36, Appendix-Glossary of the	
Commission's Rules	

TO: Chief, Common Carrier Bureau

PETITION FOR STUDY AREA WAIVER

ATEAC, Inc. ("ATEAC"), Alaska Telephone Company ("ATC"), Arctic Slope Telephone Association Cooperative, Inc. ("ASTAC"), Interior Telephone Company, Inc. ("ITC"), Mukluk Telephone Company ("MTC"), and United-KUC, Inc. ("United-KUC") (collectively, "Petitioners"), by their attorney, hereby request waiver of the definition of "study area" contained in the Appendix-Glossary of Part 36 of the Commission's Rules. The purpose of this waiver is to allow the Alaska study area formerly owned and operated by GTE Alaska Incorporated ("GTEA") to be divided, and the thirteen exchanges therein to be distributed among the existing Alaska study areas of ATC, ASTAC, ITC and MTC, and a new Alaska study area for United-KUC.

¹ The original of this Petition is being filed in Pittsburgh, PA. Copies of the Petition are being hand-delivered to the Secretary, Federal Communications Commission; and to the Chief, Accounting Policy Division.

BACKGROUND

On May 20, 1999, GTEA, an Alaska corporation, and its parent GTE Corporation ("GTE"), a New York corporation, entered into an Asset Purchase Agreement for the sale of all thirteen of GTEA's Alaska exchanges (approximately 23,796 access lines) to ATEAC.

ATEAC, an Alaska corporation, was formed at GTE's behest to serve as the acquisition company that would negotiate and execute a single Asset Purchase Agreement with GTEA, and then distribute the acquired Alaska exchanges among its local exchange carrier owners or their subsidiaries. ATEAC is owned in equal twenty-five percent (25.0%) portions by the following four entities: (1) Alaska Power & Telephone Company ("AP&T"), an Alaska corporation and the parent company of ATC; (2) ASTAC, an Alaska corporation; (3) TelAlaska, Inc. ("TelAlaska"), an Alaska corporation and the parent company of ITC and MTC; and (4) United Companies, Inc. ("United"), an Alaska corporation and the ultimate parent company of United-KUC. Neither AP&T nor ATC nor ASTAC nor TelAlaska nor ITC nor MTC nor United nor United-KUC is affiliated with GTE or GTEA.

ATC, an Alaska corporation, is a rural telephone company having fourteen pre-existing rural exchanges (approximately 4,523 access lines) primarily in southeastern Alaska. Its present Alaska study area is comprised of exchanges serving the communities of Chisana, Craig, Dot Lake, Dry Creek, Edna Bay, Healy Lake, Hollis, Hydaburg, Myers Chuck, Naukati, Skagway, Tetlin, Tok and Whale Pass. ATC has acquired from GTEA via ATEAC six exchanges serving the nearby southeastern Alaska communities of Haines, Hyder, Klukwan, Metlakatla, Petersburg and Wrangell (approximately 7,593 access lines). ATC desires to add

these six exchanges to its existing Alaska study area. If the proposed study area waiver is granted, ATC will have a study area comprised of twenty rural Alaska exchanges, and encompassing approximately 12,116 access lines.

ASTAC, an Alaska corporation, is a rural telephone company having eight pre-existing rural exchanges (approximately 2,367 access lines) in northern Alaska. Its present Alaska study area is comprised of exchanges serving the communities of Anaktuvuk Pass, Atqasuk, Deadhorse/Prudhoe Bay, Kaktovik, Nuiqsut, Pt. Hope, Pt. Lay and Wainwright. ASTAC has acquired from GTEA via ATEAC a single exchange serving the nearby northern Alaska community of Barrow (approximately 3,693 access lines). ASTAC desires to add this exchange to its existing Alaska study area. If the proposed study area waiver is granted, ASTAC will have a study area comprised of nine rural Alaska exchanges, and encompassing approximately 6,060 access lines.

ITC, an Alaska corporation, is a rural telephone company having nine pre-existing rural exchanges (approximately 4,777 access lines) in central and southwestern Alaska. Its present Alaska study area is comprised of exchanges serving the communities of Cold Bay, Cooper Landing, Fort Yukon, Galena, Illiamna, King Cove, Port Lions, Sand Point and Unalaska/Dutch Harbor. ITC has acquired from GTEA via ATEAC two exchanges serving the nearby south central Alaska communities of Moose Pass and Seward (approximately 4,096 access lines). ITC desires to add these exchanges to its existing Alaska study area. If the proposed study area waiver is granted, ITC will have a study area comprised of eleven rural Alaska exchanges, and encompassing approximately 8,873 access lines.

MTC, an Alaska corporation, is a rural telephone company having twelve pre-existing rural exchanges (approximately 1,295 access lines) in west central Alaska. Its present Alaska study area is comprised of exchanges serving the communities of Council, Elim, Golovin, Koyuk, Little Diomede Isle, St. Michael, Shaktoolik, Shishmaref, Stebbins, Teller, Wales and White Mountain. MTC has acquired from GTEA via ATEAC a single exchange serving the nearby west central Alaska community of Nome (approximately 3,398 access lines). MTC desires to add this exchange to its existing Alaska study area. If the proposed study area waiver is granted, MTC will have a study area comprised of thirteen rural Alaska exchanges, and encompassing approximately 4,693 access lines.

United-KUC, a new Alaska corporation, did not previously provide local exchange service and does not presently have an Alaska study area. United-KUC has acquired from GTEA via ATEAC three exchanges serving the rural southwestern Alaska communities of Bethel, McGrath and Unalakleet (approximately 5,016 access lines). United-KUC desires to operate these exchanges as part of a new Alaska study area. United-KUC notes that United Utilities, Inc. ("UUI"), which is a subsidiary of United and the immediate parent company of United-KUC, presently provides local exchange service to fifty-seven rural central and southwestern Alaska exchanges (approximately 5,911 access lines) in its existing Alaska study area.

ATC, ASTAC, ITC, and MTC have all qualified, and continue to qualify, as "rural telephone companies" under Section 3(37) of the Communications Act of 1934, as amended, and Section 51.5 of the Commission's Rules. United-KUC will qualify as a "rural telephone

company" under Section 3(37) of the Communications Act and Section 51.5 of the Rules.

On October 20, 1999, GTEA and ATEAC jointly applied to the Regulatory Commission of Alaska ("Alaska Commission") for authorization to transfer GTEA's Certificate of Public Convenience and Necessity for the thirteen exchanges to ATEAC. By Order Accepting Stipulation, Subject To Conditions, And Requiring Filing, dated July 11, 2000, in Docket No. U-99-107, the Alaska Commission granted this application (copy attached as Exhibit A).

On October 20, 1999, ATEAC and ATC jointly applied to the Alaska Commission for authorization to transfer the Haines, Hyder, Klukwan, Metlakatla, Petersburg and Wrangell exchanges and assets from ATEAC to ATC. By Order Accepting Stipulation, Subject To Conditions; Designating Eligible Telecommunications Carrier Status; And Requiring Filings, dated July 12, 2000, in Docket No. U-99-119 (copy attached as Exhibit B), the Alaska Commission granted this application, designated ATC as the Eligible Telecommunications Carrier ("ETC") for the six exchanges, and added the six exchanges to ATC's existing Certificate of Public Convenience and Necessity. At page 8 of this Order, the Alaska Commission stated that it "does not oppose" grant of a federal study area waiver that would take the six exchanges out of the GTEA/ATEAC study area and place them in the ATC study area.

On October 20, 1999, ATEAC and ASTAC jointly applied to the Alaska Commission for authorization to transfer the Barrow exchange and assets from ATEAC to ASTAC. By Order Accepting Stipulation, Subject To Conditions, Designating Eligible Telecommunications

Carrier Status; And Requiring Filings, dated July 12, 2000, in Docket No. U-99-120 (copy attached as Exhibit C), the Alaska Commission granted this application, designated ASTAC as the ETC for the Barrow exchange, and added the Barrow exchange to ASTAC's existing Certificate of Public Convenience and Necessity. At page 10 of this Order, the Alaska Commission expressly stated that it "does not oppose" grant of a federal study area waiver that would take the Barrow exchange out of the GTEA/ATEAC study area and place it in the ASTAC study area.

On October 20, 1999, ATEAC and ITC jointly applied to the Alaska Commission for authorization to transfer the Moose Pass and Seward exchanges and assets from ATEAC to ITC. By Order Accepting Stipulation, Subject To Conditions; Designating Eligible Telecommunications Carrier Status; And Requiring Filings, dated July 12, 2000, in Docket No. U-99-121 (copy attached as Exhibit D), the Alaska Commission granted this application, designated ITC as the ETC for the two exchanges, and added the two exchanges to ITC's existing Certificate of Public Convenience and Necessity. At page 8 of this Order, the Alaska Commission stated that it "does not oppose" grant of a federal study area waiver that would take the two exchanges out of the GTEA/ATEAC study area and place them in the ITC study area.

On October 20, 1999, ATEAC and MTC jointly applied to the Alaska Commission for authorization to transfer the Nome exchange and assets from ATEAC to MTC. By Order Accepting Stipulation, Subject To Conditions; Designating Eligible Telecommunications

Carrier Status; And Requiring Filings, dated July 12, 2000, in Docket No. U-99-122 (copy

attached as Exhibit E), the Alaska Commission granted this application, designated MTC as the ETC for the Nome exchange, and added the Nome exchange to MTC's existing Certificate of Public Convenience and Necessity. At page 9 of this Order, the Alaska Commission expressly stated that it "does not oppose" grant of a federal study area waiver that would take the Nome exchange out of the GTEA/ATEAC study area and place it in the MTC study area.

On October 20, 1999, ATEAC and United-KUC jointly applied to the Alaska Commission for authorization to transfer the Bethel, McGrath and Unalakleet exchanges and assets from ATEAC to United-KUC. By Order Accepting Stipulation, Subject To Conditions; Designating Eligible Telecommunications Carrier Status; And Requiring Filings, dated July 12, 2000, in Docket No. U-99-123 (copy attached as Exhibit F), the Alaska Commission granted this application, designated United-KUC as the ETC for the three exchanges, and issued a new Certificate of Public Convenience and Necessity to United-KUC for the three exchanges. At page 10 of this Order, the Alaska Commission stated that it "does not oppose" grant of a federal study area waiver that would take the three exchanges out of the GTEA/ATEAC study area and place them in an United-KUC study area.

On December 28, 1999, GTEA filed an application with the Commission requesting authority, under Section 214(a) of the Communications Act and Section 63.71 of the Commission's Rules, to discontinue providing interstate services in Alaska, effective with the sale of its thirteen Alaska local exchanges to ATEAC. GTE amended this application on February 29, 2000. The Commission granted the amended application automatically on or about May 5, 2000 under File No. W-P-D-449. See Public Notice (GTE Discontinuance of

Interstate Services in Alaska), DA 00-507, released March 6, 2000.

On February 8, 2000, Petitioners filed with the Bureau a petition for waiver of Sections 61.41(c) and (d) of the Commission's Rules (the price cap "permanent choice" and "all-ornothing" rules). Petitioners stated that their transaction with GTEA would be substantially identical to the New England exchange transactions with GTE for which the Tariff Division granted price cap waivers in Maine Telecommunications Group, Inc. et al., 9 FCC Rcd 3082 (1994). As in New England, the Alaskan GTE entity would be selling all of its exchanges within the state to an acquisition company comprised of multiple local exchange carriers or their affiliates operating within the state. And, as in New England, the transaction would be closed after receipt of state commission authorization, federal price cap waivers and federal Section 214(a) authorizations, and the subject exchanges would be operated initially by the individual local exchange carriers within the former GTE study area. Ultimately, as in New England, a study area waiver would be requested from the Commission, and, when granted, the acquired exchanges would be distributed among the study areas of the individual local exchange carriers. See, e.g. Champlain Valley Telephone Company, Inc. et al., 11 FCC Rcd 7111 (1996). By Memorandum Opinion And Order (ATEAC, Inc. et al.), DA 00-1883, released August 18, 2000, the Bureau granted the price cap waivers.

On August 31, 2000, GTEA completed the sale of its thirteen Alaska exchanges to ATEAC, and ATEAC completed its "drop down" transfers of the thirteen exchanges to ATC, ASTAC, ITC, MTC and United-KUC.

ATC, ASTAC, ITC and MTC are all pre-February 8, 1996 incumbent local exchange

carriers. ATC, ASTAC, ITC and MTC are also: (a) cost carriers; (b) Issuing Carriers in the interstate access tariffs of the National Exchange Carrier Association (NECA); and (c) participants in NECA's Common Line and Traffic Sensitive pools. Because it is the assignee of GTEA, a pre-February 8, 1996 incumbent local exchange carrier, United-KUC is a "telephone company" under Section 69.2(hh) of the Commission's Rules and Section 251(h)(1)(B)(ii) of the Communications Act. United-KUC is eligible to participate in the NECA tariffs and pools under Section 69.601 of the Commission's Rules, and will do so.

COMPLIANCE WITH "ONE PERCENT" CONDITION

Petitioners certify that the aggregation of all local telephone exchange transfers and study area waivers involving them and their subsidiaries and affiliates during 2000 will not cause a shift in Universal Service Fund ("USF") cost recovery in an amount equal to or greater than one percent of the total USF assistance for 2000. Therefore, to the extent that the "one percent" limitation adopted by the Commission in <u>US West Communications, Inc. and Eagle Telecommunications, Inc.</u>, 10 FCC Rcd 1771 (1995), remains relevant and applicable, the subject transactions comply with it.

STUDY AREA WAIVER

The Commission froze study area boundaries as of November 15, 1984 to prevent telephone holding companies from setting up high cost exchanges within their existing service territories as separate companies in order to maximize high cost support. MTS/WATS Market Structure, 57 R.R.2d 511 (1984). The Commission expressly stated at the time that study areas were **not** frozen to "discourage the acquisition of high cost exchanges or the expansion

of service to cover high cost areas." <u>Amendment of Part 67</u>, 49 Fed. Reg. 48325, 48337 (Dec. 12, 1984). Consequently, allowing Petitioners to distribute the former GTEA exchanges among the existing or proposed new (in the case of United-KUC) Alaska study areas of Petitioners will not conflict with the Commission's rationale for freezing study area boundaries.

In reviewing study area waiver petitions, the Commission employs the following threeprong standard: (1) the change in study area boundaries must not adversely affect the universal service fund; (2) no state commission having regulatory authority over the transferred exchanges may oppose the transfer; and (3) the transfer must be in the public interest. See, e.g., US West Communications, Inc. and South Central Utah Telephone Association, Inc., 9 FCC Rcd 198 (1993); US West Communications, Inc. and Triangle Telephone Cooperative Association, Inc. et al., 9 FCC Rcd 202 (1993); US West Communications, Inc. and Nemont Telephone Cooperative, Inc., 9 FCC Rcd 721 (1994); GTE Southwest Incorporated and Pioneer Telephone Cooperative, Inc., 9 FCC Rcd 7785 (1994); US West Communications, Inc. and Eagle Telecommunications, Inc., supra, CenturyTel of Northwest Arkansas, LLC et al. and GTE Arkansas Incorporated et. al., DA 00-1434, released June 27, 2000; Citizens Telecommunications Company of North Dakota and US West Communications, Inc., DA 00-1548, released July 12, 2000; Rye Telephone Company, Inc. and US West Communications, Inc., DA 00-1585, released July 18, 2000; Spectra Communications Group, LLC and GTE Midwest Incorporated, DA 00-1625, released June 27, 2000; CenturyTel of Central Wisconsin, LLC and GTE North Incorporated, DA 00-1863, released August 16, 2000; Telephone USA of Wisconsin, LLC and GTE North Incorporated, DA 00-1862, released August 16, 2000; <u>Sully Buttes Telephone Cooperative</u>, <u>Inc. and Owest Corporation</u>, DA 00-1894, released August 18, 2000; and <u>Valor Telecommunications of Texas</u>, <u>LP and GTE Southwest Incorporated</u>, DA 00-1908, released August 21, 2000.

<u>Universal Service Fund.</u> The proposed study area boundary changes will not adversely affect the universal service fund. Section 54.305 of the Commission's Rules provides that a carrier acquiring exchanges from an unaffiliated carrier shall receive the same per-line levels of high-cost universal service support for which the acquired exchanges were eligible prior to the transfer. Where a rural carrier such as ATC, ASTAC, ITC, MTC or United-KUC purchases one or more exchanges from an unaffiliated carrier such as GTEA, the rural carrier will receive the same per-line levels of high-cost support for which the acquired exchanges were eligible prior to the transfer. The rural carrier will receive this per-line support for the acquired exchanges regardless of the types and amounts of support that it may receive for its preexisting exchanges.

The operation of Section 54.305 means that, by definition, there can be no adverse impact on the universal service fund from the subject transactions and proposed study area boundary changes. See Valor Telecommunications of Texas, LP and GTE Southwest Incorporated, supra. ATC will receive the same per-line levels of high-cost universal service support for the Haines, Hyder, Klukwan, Metlakatla, Petersburg and Wrangell exchanges as GTEA was eligible to receive for these exchanges prior to the August 31, 2000 transfers. ASTAC will receive the same per-line levels of high-cost universal service support for the Barrow exchange as GTEA was eligible to receive for the exchange prior to the transfers. ITC

will receive the same per-line levels of high-cost universal service support for the Moose Pass and Seward exchanges as GTEA was eligible to receive for these exchanges prior to the transfers. MTC will receive the same per-line levels of high-cost universal service support for the Nome exchange as GTEA was eligible to receive for the exchange prior to the transfers. United-KUC will receive the same per-line levels of high-cost universal service support for the Bethel, McGrath and Unalakleet exchanges as GTEA was eligible to receive for these exchanges prior to the transfers.

Petitioners note further that the overall size of the high-cost universal service fund remains limited by the interim indexed cap adopted in <u>Report And Order</u> (Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board), CC Docket No. 80-286, 9 FCC Rcd 303 (1993).

State Commission Approval. In five separate orders entitled Order Accepting Stipulation, Subject To Conditions; Designating Eligible Telecommunications Carrier Status; And Requiring Filings issued on July 12, 2000 in its Docket No. U-99-119/123 proceedings (attached as Exhibits B through F), the Alaska Commission approved the transfers of the thirteen former GTEA exchanges via ATEAC to ATC, ASTAC, ITC, MTC and United-KUC. The Alaska Commission stated in each attached order that:

The Commission notes that [ATC, ASTAC, ITC, MTC or United] has requested a study area waiver from the FCC. While the Commission does not necessarily agree with [ATC, ASTAC, ITC, MTC or United] that the FCC will automatically grant such a waiver the Commission does not oppose the waiver.

Hence, Alaska Commission, which constitutes the only state commission having

regulatory authority over the thirteen exchanges, has expressly declared that it "does not oppose" grant of the federal study area waiver that would take the thirteen exchanges out of the GTEA/ATEAC study area and distribute them among the existing ATC (Haines, Hyder, Klukwan, Metlakatla, Petersburg and Wrangell exchanges), ASTAC (Barrow exchange), ITC (Moose Pass and Seward exchanges) and MTC (Nome exchange) study areas, and the new United-KUC study area (Bethel, McGrath and Unalakleet exchanges). The Alaska Commission's statements of no opposition appear on the page numbers of each order that are listed in the BACKGROUND section above.

As a point of clarification, Petitioners note that the proposed study area boundary waivers were not requested, and were never intended to be requested, prior to the issuance of the Alaska Commission orders. Since the adoption of its Order (Petitions for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules), 10 FCC Rcd 13,231 (1995), the Bureau has refused to accept study area waiver petitions for filing unless and until the petitioners receive and include a state certificate approving the transfer, or a valid document from the responsible authority stating that it does not object to the proposed reconfiguration of study area boundaries. Petitioners further note that their expert FCC witness (who is also undersigned counsel) did not intend to lead the Alaska Commission to believe that Commission grant of study area waivers was "automatic," but rather that the Commission had granted scores of such waivers during the past decade (albeit, some with conditions) and had not denied any requested study area waivers outright to the best of his knowledge.

Public Interest Benefits. The transfer of the thirteen former GTEA exchanges to ATC, ASTAC, ITC, MTC and United-KUC has brought them under local ownership and control for the first time. Decisions on local telecommunications facilities and services are now being made locally in Alaska, rather than in Irving, Texas and other far-removed GTE offices. It is expected that this local ownership and control will result in greatly increased responsiveness to the telecommunications needs of the residents of the thirteen communities.

ATC, ASTAC, ITC, MTC and United-KUC's affiliates are established Alaska local exchange carriers, each of which has been operating in the state for at least 19 years. Each possesses the managerial, financial, technical and other qualifications necessary to provide quality telecommunications services in the unique Alaska environment, and has a long and established record of doing so. For ATC, ASTAC, ITC and MTC in particular, the expansion of their existing study areas and operations will permit them to realize increased economies of scope and scale, and make it easier for them to enhance the array of services available in both their new exchanges and their pre-existing exchanges.

Local ownership means that telecommunications profits, as well as increased telecommunications jobs and purchases, will remain in rural Alaska. This influx of dollars and jobs is sorely needed for the economic development of the affected areas of rural Alaska.

Finally, implementation of the proposed study area revisions will enable Petitioners to administer their newly acquired exchanges in an efficient manner. For ATC, ASTAC, ITC and MTC, the more efficient administrative approach is to consolidate their newly acquired and pre-existing exchanges in their existing Alaska study areas. For the newly created United-

KUC, the more efficient administrative approach is to place its new exchanges into a new Alaska study area.

New Study Area for United-KUC. United-KUC was formed as a new entity for a specific and bona fide business reason – namely, to facilitate the acquisition of the debt financing necessary for the purchase of the Bethel, McGrath and Unalakleet exchanges. If these exchanges had been acquired by UUI, it would have been more difficult and expensive to obtain the debt financing needed to purchase them because UUI is a Rural Utilities Service ("RUS") borrower. Any debt financing obtained by UUI would have been required by RUS to be subordinated to the prior RUS debt, while the exchange assets would have been subject to RUS liens and lien accommodation requirements.

United-KUC will operate and administer its three exchanges separately from the fifty-seven exchanges of UUI. United-KUC will have its own separate day-to-day management staff, and will have its own separate books and records. Because the United-KUC and UUI exchanges will be managed and administered separately, and will have separate books and records, there is no particular advantage or efficiency in placing them in the same study area.

The Commission allows numerous related entities to maintain two or more study areas within the same state, but since 1994 has not permitted carriers to create additional study areas in connection with acquisitions requiring study area waivers. See, e.g., US West Communications, Inc. and Nemont Telephone Cooperative, Inc., supra. The primary reason for the latter policy appears to have been the Commission's fear that some entities might attempt to increase artificially their universal service support by manipulating the placement and

boundaries of their newly acquired study areas. However, to the extent that such manipulation was ever actually attempted or achieved in the past, the operation of Section 54.305 of the Commission's Rules now eliminates completely the "benefits" of such manipulation.

Here, United-KUC has been created as a separate entity for reasonable and legitimate business reasons that are wholly unrelated to study area boundaries or high-cost universal service support. United-KUC will manage and administer its three new exchanges separately from UUI and its fifty-seven exchanges, and will maintain its own set of books and records. Hence, there will be no advantages or efficiencies to be obtained by United-KUC by consolidating its cost studies with those of UUI. Finally, the workings of Section 54.305 mean that United-KUC and UUI will each receive exactly the same high-cost universal service support whether they are operated within the requested separate study areas or a single consolidated study area. Therefore, United-KUC respectfully requests that it be allowed to place its new Bethel, McGrath and Unalakleet exchanges in a new study area separate from that of UUI.

June 21, 1995 Public Notice. As detailed above, the operation of Section 54.305 of the Commission's Rules means that, by definition, there can be no adverse impact on the universal service fund from the subject transactions and proposed study area boundary changes. Hence, it appears that the supplemental information requested by the Bureau in its Public Notice ("Common Carrier Bureau Establishes Expedited Procedures For Petitioners Seeking Part 36 Study Area Waivers"), DA 95-1344, released June 21, 1995, is no longer necessary or relevant, because it deals with universal service support impact calculations that

no longer need to be made. Petitioners note that at least one recent study area waiver petition was accepted, processed and granted without this supplemental information. See <u>Valor Telecommunications of Texas</u>, <u>LP and GTE Southwest Incorporated</u>, <u>supra</u>. Petitioners will amend this petition if the Bureau determines that some or all of this supplemental information remains necessary and relevant.

CONCLUSION

Petitioners have met their burden of proving that the proposed waivers of study area boundaries: (a) will not adversely affect the universal service fund; (b) are not opposed by the only state commission having regulatory authority over the transferred exchanges; and (c) will be in the public interest. Therefore, the Bureau is respectfully requested to allow the Alaska study area formerly owned and operated by GTEA to be divided, and the thirteen exchanges therein to be distributed among the existing Alaska study areas of ATC, ASTAC, ITC and MTC, and a new Alaska study area for United-KUC.

Respectfully submitted,
ATEAC, INC.
ALASKA TELEPHONE COMPANY
ARCTIC SLOPE TELEPHONE ASSOCIATION
COOPERATIVE, INC.
INTERIOR TELEPHONE COMPANY, INC.
MUKLUK TELEPHONE COMPANY, INC.
UNITED-KUC, INC.

Blooston, Mordkofsky, Jackson & Dickens 2120 L Street, NW Washington, DC 20037 (202) 659-0830

Dated: September 22, 2000

Their Attorney

TelAlaska, Inc.

NATIONAL BANK OF ALASKA

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the best of my knowledge, information and belief. SIGNATURE									
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